

REPORTS AND ENQUIRIES

The Question of Family Allowances in Norway

From 1908 to 1933, ministerial committees, trade unions, members of Parliament, and more frequently women's organisations, repeatedly submitted proposals, draft Bills, or petitions, to the Norwegian Parliament or Government with a view to the institution of a system of family allowances and the appointment of a committee of enquiry to study the matter. On 3 October 1934, in accordance with a decision taken by Parliament, the Minister of Social Affairs appointed a Committee for this purpose consisting of eight members¹, with the following terms of reference :

The purpose of the Committee shall be to carry out a thorough investigation and submit a report on the expediency of introducing a system of family allowances in Norway and, in the event of a favourable opinion, to suggest the principles which should be observed. The Committee shall, in particular, consider whether the said system should take the form of a general insurance or should apply only to wage earners or certain groups of wage earners. Further, the Committee shall consider details of benefits, cost, finance, organisation, etc. Its report shall be accompanied by a draft Bill relating to family allowances.

The statistical data on which the Committee's investigations were to be based (a census of wage earners, married and unmarried, family responsibilities, etc.) were compiled by the Central Statistical Office. The work of the Committee was somewhat delayed pending the final discussion of the Old-Age Insurance Act of 1936. Its report was submitted to the Ministry of Social Affairs on 10 December 1937 and published by the Ministry in 1938.² Since two different policies were advocated in the Committee, the report consists of two parts, one setting out the views of the majority (seven members) and the other those of the minority (one member). The report is summarised below.

¹ Mr. G. Wiesener, Cantonal Judge, Chairman ; Mrs. Margarete Bonnevie ; Mr. Johannes Bøe, member of Parliament ; Mr. Henrik Palmström, actuary ; Mrs. Sigrid Stray, lawyer ; Mrs. Sigrid Syvertsen, Chairman of the Women's Secretariat of the Socialist Party ; Mr. Harold Throne-Holst, engineer ; Mr. Jakob Vik, member of Parliament.

² SOCIALDEPARTEMENTET : *Utkast til lov om barnetrygd med motiver. Innstilling fra den komité som blev nedsatt av Socialdepartementet, 3 oktober 1934.* Oslo, 1938.

MAJORITY REPORT

The majority report begins by taking stock of the situation. A detailed description is given of the measures of social welfare already adopted in Norway in the interests of children, and the effects of these measures are analysed: protection of children as workers, protection of mothers and infants, the grant in certain cases of assistance in cash to families with several children (family allowances for persons covered by a social insurance scheme, including unemployed persons engaged on relief works, and relief for families in necessitous circumstances), and measures to reduce family expenses even when the head of the family is not in necessitous circumstances—in particular, by exemption from taxes.

The report also refers to the many suggestions put forward, some as early as 1908, by official committees, parliamentary or ministerial, and by private groups such as trade unions and women's organisations. Some of these proposals, if carried out, would have led to far-reaching changes in the system of remuneration of labour. The majority of the Committee felt that its enquiry should, as in other countries that had adopted similar legislation, be confined to the following problem: seeing that, in the event of marriage and of childbirth, needs increase without there being, as a rule, a corresponding increase in income, can the situation be remedied by relief in kind and in services or by cash allowances?

The Committee then considered the various needs which the measures of social welfare mentioned above were designed to meet. It was noted that those needs had gradually increased, particularly as a result of industrialisation, which has profoundly modified the material circumstances of families in the course of the last few generations.

Where the economic unit is a family, both the wife and the children regularly contribute to its upkeep. Changes in methods of production since industrialisation set in, the consequent introduction of labour laws and regulations, and particularly the legal prohibition of the employment of children below a minimum age which is constantly being raised, have considerably restricted child labour. Accordingly, the income of the family from the employment of children has diminished. While approving the protective labour legislation enforced in Norway, the Committee felt that the State, which is responsible for that legislation, ought to offset the reduction in family income which results from it.

That duty is all the more imperative in view of the fact that, although wages have substantially increased in the course of years, family expenditure on the maintenance and education of children has increased to an even greater extent. The Committee made a thorough investigation of family budgets and especially of the cost of schooling. This showed that, at present, many parents are no longer able to give their children a satisfactory education without assistance from the public authorities. The State, the local authorities, and private institutions, have had to help parents to an ever-increasing extent. Relief was at first confined to children in necessitous circumstances; subsequently more general measures were taken in the interests of the

rising generation. Nevertheless, the parents bear the main cost of upkeep and education—that is, the cost of board, lodging, clothing, etc. In the opinion of the Committee, the State cannot overlook the financial difficulties incurred by families with several children, particularly in view of the fact that these difficulties are reflected in a falling birth-rate. Without investigating demographic problems in the strict sense of the term, the Committee noted that the birth-rate was falling and drew the conclusion that it was not merely the duty, but also in the interests, of the State to cope with the financial problems of large families, since the population ought to be maintained at least at the present level.

Pursuing its enquiry into the means by which existing institutions can solve the problem referred to it, the Committee observed that the community, particularly in large towns, can afford families some relief, and that more should certainly be done along the lines already adopted to improve housing conditions for families with small means, to provide medical treatment for mothers and infants, to establish and maintain nurseries and kindergartens, etc. Such measures are, however, inadequate at the present time and should be supplemented by cash allowances proportionate to the number of children in the family. This is all the more necessary in view of the fact that, under the system applied by some communities, children are educated outside their homes, while the grant of cash allowances would enable the parents to bring up their children at home. A cash allowance would, in particular, enable mothers who wish to retire from gainful employment to give all their time to their children's education.

It is true that, apart from tax exemption, relief in the form of allowances is already officially granted to families under the Maternity Insurance Act and the Acts of 1915 respecting the protection of children. This relief is given only at childbirth. Some communities, however, have introduced pension schemes under which mothers who have to earn their own living may, whether married or not, avoid applying for public relief or accepting employment such as might interfere with their household work or adversely affect their children's interests. In view of the changes that have taken place, the Committee now feels that the State should grant aid to improve the material circumstances of families throughout the period of the children's education.

With this end in view, the majority of the Committee proposes that a system of family allowances should be instituted which would be independent of earnings and covered by taxation. Although independent of earnings, the allowances might, in the opinion of the Committee, have some effect on the wage level. It is conceivable that they might lead to an increase in the wages paid to women, since the supply of women workers would no doubt fall if, owing to the increase in family incomes, married women were able to remain at home. In theory, the fact that family income would increase as a result of the allowances might induce married women to engage servants for household work, so that they themselves could continue in gainful employment, but in the Committee's opinion that is unlikely and would probably happen only in the case of salaried employees.

On the other hand, the Committee does not think there is any ground for the fears which are sometimes expressed that the payment of family allowances would lead to a fall in the wages paid to men. If the allowances have any effect at all on the employment market, they will very slightly reduce the supply of labour, since men with family responsibilities will no longer have to look for subsidiary employment to supplement inadequate earnings; this can only have a favourable effect on the wage level. In any event, the consequences will be so slight as to be negligible.

The Committee, therefore, favours a system of family allowances applicable, as a general rule, to the whole population, and, as requested, it has submitted a draft Bill to that effect. If there is any difficulty in introducing the system at one stroke, a start might be made with the public services, the system being gradually extended to such other groups as apply for it after it has been tried out. The allowance would be payable, irrespective of the beneficiary's income, for each Norwegian child under 15 years of age residing in the country. It might, if necessary, be granted only for children in excess of two. While taking the view that the allowance might, in all fairness, be paid for young persons over 15 years of age who continue their education or are bodily or mentally incapable of earning their living, the Committee proposes that at first the line should be drawn at 15 years, this being the age at which children are no longer obliged to attend school and usually enter occupational life. Should experience prove that sufficient resources are available, the system of family allowances might subsequently be extended.

The allowance would be payable to the person responsible for the child's maintenance; if the father and mother are jointly responsible, the allowance would usually be paid to the mother, but might equally be paid to the father or to some other person who is capable of seeing that it is put to a reasonable use. As regards the amount of the allowance, two opinions were expressed by the majority of the Committee: some members thought that the amount should be the same for each child in the family; others were in favour of a scale decreasing with the number of children (100 per cent. for the first child, 75 per cent. for the second, etc.). The Committee did not, however, think it necessary to give any final opinion on this point.

The allowance would be payable for children only and not for any other persons dependent on the family. The cost would be borne by the State.

Opinions differed as to how the resources of the scheme should be collected, some members proposing a tax on turnover and others a direct tax.

MINORITY REPORT

The minority report is the work of Mrs. Bonnevie, who approached the question from a very different angle.

Mrs. Bonnevie considers that the problem of family responsibilities should be studied in close connection with the general system of remuneration of labour, and with the problem of distributing employment between men and women.

In support of the system she proposes, the purpose of which is to reconcile the principle that remuneration should vary according to the quality of the work, irrespective of sex, with the principle that remuneration should be based on needs, the employment of women being placed on as normal and as stable a basis as that of men, Mrs. Bonnevie begins by examining, as the majority did but on lines that are often somewhat different, the change that has taken place in economic and social life under the influence of machine production. She criticises severely the present conditions under which women work and which the scheme she recommends would tend indirectly to correct.

Dealing with the effects of industrialisation on family income, Mrs. Bonnevie points out, like the majority, that where the economic unit is a family its maintenance is provided for by the mother's work as well as by that of the father. Rural life is still based on this principle: in a peasant family the expenses are borne jointly by the married couple, and the family income is derived from the property of both consorts and the product of their work.

As regards that part of the population, however, which has been affected by industrialisation and is now subject to the wage system—estimated by Mrs. Bonnevie to be two-thirds—the change in the organisation of production has had a marked effect upon the distribution of family expenses between the consorts and hence on the occupational life of women.

The effects of the wage system, moreover, have varied according to the social class concerned. Where the husband belongs to the upper wage-earning classes—that is, the managerial staff of undertakings or even the class of skilled workers whose wages are sufficient to meet the needs of the whole family—he alone bears the expense of the family's maintenance; the wife no longer has any share in the production of commodities, and henceforth she is engaged in household work alone.

The mass of unskilled workers, on the other hand, earn low wages which are insufficient to cover the expenses of the family, and the wife is obliged to work for wages as well as to do household work, so that her position is made much worse.

Mrs. Bonnevie points out that the situation which prevails in the upper wage-earning classes where the father bears all the expenses of the family is generally regarded as the ideal one which ought to be extended to the less-favoured classes. In her opinion, this idea, which is very far from being put into practice, is not in keeping with the real interests either of the family or of the community.

It is because of this notion that in the vast majority of cases women's wages are lower than men's, those of the men being considered family earnings. Thus, the difference between the wages paid to a man and those paid to a woman engaged on the same work or work of the same value is equal to the increment paid to cover family expenses in the remuneration of any male wage earner. It is a kind of allowance for family expenses which is not supplementary but is included in remuneration.

As has been seen above, however, in many cases the man's wages, notwithstanding the family increment they are supposed to include,

are in fact insufficient to maintain the family, and it is because of this insufficiency that the employment of women has not disappeared, as *ex hypothesi* it should have done.

Furthermore, a great many families, in various circumstances (death, sickness, and voluntary or involuntary incapacity), are deprived of the father's support, and in such cases the woman still has to work. On the other hand, some male wage earners who, simply because they are males, receive a family increment as part of their wages have no children, while some women who, owing to their sex, receive comparatively low wages which do not include the family increment are in fact, or even by law, responsible for the maintenance of a family. The children these women bring up are therefore, as it were, deprived of the increment in favour of those with which bachelors or childless male wage earners are wrongly credited.

So far as the remuneration of labour is concerned, the situation that so arises is both illogical and unfair. It is, moreover, responsible for a great many other defects in the machinery of society, since less trouble has been taken to organise women's work than would have been taken if that work had been placed on the same footing as men's. In this connection, Mrs. Bonnevie mentions several regrettable consequences of the haphazard conditions under which women's work is effected and develops : the lack of, or inadequate, vocational training, as a result of which women's wages depreciate, and which, owing to competition, has in turn an adverse effect upon men's wages ; the limited opportunities open to women and consisting more often than not in unskilled and ill-paid occupations ; and the absurd anomaly (considering that wage-earning women usually do household work as well as occupational work) that hours of work are very long in several women's occupations which have not yet been regulated, while in industry, where the majority of the wage earners are men, hours are more and more strictly limited. It should further be noted that, among the women's occupations mentioned by Mrs. Bonnevie as untouched by the limitation of working hours, domestic service is of special social significance, because it is the occupation through which most peasant girls come into the urban wage system.

On the other hand, the social theory according to which wage-earning employment should be reserved for men is disproved by the very changes that are taking place in social life. Far from diminishing, the employment of women is increasing, even in that part of the population in which it is not strictly necessary : a growing number of girls in the wealthier classes are, owing to their education, engaging in gainful employment. Persons who have worked hard for many years to acquire a professional title cannot be expected to waive their reward as a matter of course when they marry. The vital interests of the community would be injured by any attempt to prevent women by law from continuing in employment on marriage, for the result might be to discourage girls from getting married and hence to lower the birth-rate, and in any case the community would be the poorer if it were deprived of the productive work of some of its members.

These facts and arguments, selected from among many others which Mrs. Bonnevie mentions in the course of her criticism of the

present situation, explain the concrete proposals she submits for the improvement of social conditions.

The principle of the main proposal is that a new system of remuneration should be instituted under which all workers, irrespective of sex, would be paid wages proportionate to the value of the work they do and to their family responsibilities. Since, however, such a system could not be instituted without taking existing circumstances into account, Mrs. Bonnevie suggests that an insurance fund for family allowances should be set up which would be, in the strictest sense of the term, a compensation fund. The fund would be attached to one of the existing social insurance institutions; it would be financed and would operate as follows: all wage earners, whether men or women, who earn an annual income of not less than 2,500 nor more than 15,000 kr. in Norway would compulsorily be affiliated and required to pay contributions. The members of the fund would be graded according to the amount of their wages in eight classes, the insured person's contribution in each class being equal to 10 per cent. of the average wages (or perhaps 8 per cent.). Every year the fund would fix for each wage class the amount of the monthly or quarterly family allowances payable out of the fund so collected, after taking the cost of administration into account. Allowances would be due to members of the fund in respect of each child under 15 years of age for which they are responsible.

The members' contributions would thus restore to the community the so-called "family increment" in wages which is wrongly paid to persons who have no children, and the amount would be shared in each wage class between the wage earners with family responsibilities. Both the contribution and the allowance would be proportionate to the basic wage in each class.

Apart from this fundamental proposal for the equalisation of family expenses, Mrs. Bonnevie suggests various other social-welfare measures which would be financed by the State and would afford families additional aid in specific cases: special allowances payable to persons who are solely responsible for maintaining a family and whose income is less than a certain minimum; extension from 8 to 12 weeks of the payment of maternity allowances to wage-earning women under the sickness insurance scheme; institution of maternity allowances for women officials; extension to married women with small means of the allowances payable to unmarried women under the Act concerning the protection of children; institution of pre-natal and post-natal clinics and of medical advice for the mothers of infants; medical and dental treatment free of charge throughout childhood; reduction of the price of foodstuffs for schoolchildren; distribution to schoolchildren of small additional meals; institution of nurseries and kindergartens; and, lastly, a provision that families with small children shall have a prior right to flats in housing units with nurseries and kindergartens built by the local authorities.

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On receipt of the Committee's report, the Minister for Social Affairs asked various national organisations which were likely to be

interested in the problem to let him have their views. Several of the replies sent in have already been published. After criticising the solutions proposed both by the majority and by the minority of the Committee, some associations proposed totally different schemes for the relief of large families, and particularly schemes for relief in kind (supplemented in some cases by cash allowances) similar to those proposed in Sweden by the Population Commission, which concluded its enquiry at the end of 1938.¹ Some of the replies suggested that a new committee should be appointed to reconsider the question in the light of the present consultation.

The Co-operative Movement in Palestine

INTRODUCTION

In a report recently published by the Registrar of Co-operative Societies in Palestine², it is stated that few achievements in post-war Palestine are more striking than the development of the co-operative movement. There is hardly an industry in Palestine in which co-operative organisations are not active. The movement has developed many new and original forms of co-operative activity, and this is especially true of the various co-operative settlement societies, which play a very important part in the colonisation of the country and in the cultivation of new land. In many places not only the economic needs but also the social and cultural needs of the population are met through the co-operative societies. Thus, educational work, health institutions and transport facilities, are often organised on a co-operative basis. In fact, co-operation has been the form of economic and social organisation which the inhabitants, and more especially the Jewish settlers in Palestine, have accepted as that best suited to the conditions of the country. "The Jews introduced the co-operative principle into every aspect of their life. They formed societies for credit, for agricultural settlements, for processing and marketing of dairy products, wine, oranges, almonds and tobacco, for consumers and for producers. They established co-operative restaurants, theatres and schools; they organised societies for packing houses, for irrigation and for transport. They developed large suburbs on a co-operative basis and organised contracting societies for building and agricultural development on a large scale. Co-operation even

¹ Cf. *International Labour Review*, Vol. XXXIX, No. 6, June 1939: "A Programme for Family Security in Sweden", by ALVA MYRDAL.

² *Co-operative Societies in Palestine. Report by the Registrar of Co-operative Societies on Developments during the Years 1921-1937*. Jerusalem, Printing and Stationery Office, 1938.